

ABSTRACT OF THE DISCLOSURE

An order assembly production system and method comprises a vender managed inventory (VMI) system and a forecast presented to a component vender. A prospect
5 production is performed until intermediate products are obtained, the intermediate products are stocked, and final assembly is performed after an order is accepted. The final assembly is performed from the intermediate product, resulting in a shorter lead time and
10 preventing the loss of sales opportunities due to shortages. Since no final product is stocked, excess production is avoided. In addition, because the intermediate products may be designed to be general-purpose and may be used in a plurality of products,
15 demand fluctuations for the intermediate products can be buffered.